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LB 440

"Proposed League Change," this change is proposed by the League of Municipalities and that's what's incorporated in this amendment that's in front of you. This is what would happen if you adopted this amendment. Three million dollars is restored to the program that is aid to municipalities. In other words, we switch that around because Omaha and other...most other municipalities did not want to cut aid to municipalities. They preferred to cut MIRF, okay? So this amendment tries to accommodate that desire by switching it around so that the \$3 million is restored to the aid to municipalities, but then under LB 440 MIRF is cut by that \$3 million. So that MIRF is cut in '03-04 and '04-05, and here's an important difference then. Instead of MIRF ending at the end of two years, MIRF is restored until the year 2009. Now in considering all of this, probably an important point to you will be the fact that, regardless of which scenario you pick, you're not affecting the funding for the next two years. Either by eliminating municipal aid to municipalities or by reducing MIRF, one way or the other, we're cutting back by \$6 million the aid that is in fact going to the municipalities, \$3 million each year. So if you think that we ought to just right now prepare to cut more in the out years after 2005 from the municipalities, then perhaps your choice is to reject this amendment because the result will be that MIRF will end in 2005 and it would be incumbent upon the league and others to come in with a bill and try to restore it. If, on the other hand, you believe as I do that we should seek to protect ourselves from further property tax increases as best we can, not cut the municipalities more, and see what happens in two years, then you will want to vote for this amendment because the result of this amendment will be that the MIRF funding will be taken for the biennium but after the biennium MIRF will be restored and it would be incumbent upon Senator Thompson to come in one more time and try to get rid of MIRF, if she's inclined to do that. I hope I haven't confused you completely. It's a difficult one to explain, but I'd be very glad to try to answer your questions. Thank you.

SENATOR CUDABACK: You've heard the opening on the amendment offered by Senator Beutler. Now open for discussion. Senator Bourne, followed by Senators Thompson, Wehrbein, and Mines. Senator Bourne.